

ARKANSAS CEMETERY BOARD

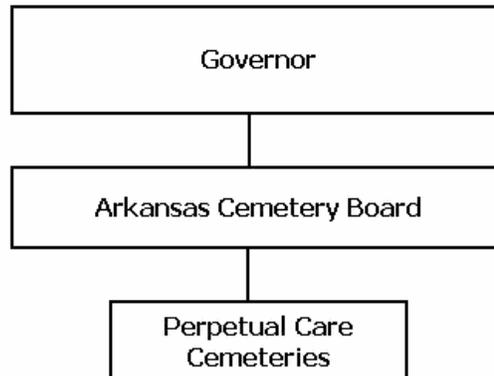
Enabling Laws

Act 2169 of 2005
A.C.A. §82-414
A.C.A. §20-17-1001

History and Organization

Act 352 of 1977 created The Arkansas Cemetery Board. This Act established a seven (7) member Board to administer the issuance of permits to perpetual care cemeteries and to regulate and protect these perpetual care funds. Prior to Act 352 the regulation of perpetual care cemeteries was governed by Act 250 of 1953, as amended. Act 131 of 1983 increased the size of the Board by the addition of one member 60 years of age or over to serve as a representative of the State's elderly population. The Securities Commissioner is a voting member of the Board. The Governor appoints the six members of the Board. Four (4) of the six (6) members of the Board appointed by the Governor are owners or operators of licensed cemeteries in Arkansas. One of the members appointed by the Governor shall not have any interest in a cemetery or funeral home either within or outside of the State. One of the members appointed by the Governor shall be sixty (60) years of age or older, and shall represent the elderly. This member shall not be actively engaged in or retired from any profession or occupation regulated by the Board. The Governor also appoints one (1) alternate member that comes from the industry. The alternate member shall substitute when a conflict of interest disqualifies a regular member. Members are appointed for terms of four (4) years.

The mission of the Board is to protect the interests of Arkansas citizens who have purchased or own spaces in Arkansas cemeteries that are advertised or operated as being perpetual care or permanent maintenance cemeteries. The Board in conjunction with the staff of the Arkansas Securities Department performs the duties of the Board.



Agency Commentary

The Arkansas Cemetery Board is responsible for protecting the financial interests of the public by ensuring the physical care of the cemeteries and the sound financial condition of the trust funds

through the regulation of those companies advertising or operating perpetual care cemeteries in the State of Arkansas. The Board relies on the staff of the Arkansas Securities Department to perform the duties of the Board, such as conduct examinations, examine annual reports, investigate and issue permits, provide legal services, and perform administrative duties.

Act 2169 of 2005 increased the fees collected by the Board. The fees collected by the Board during fiscal year ending June 30, 2006, were less than originally expected. Based upon the amount of revenue expected, the Board is requesting a reduction in total appropriation from \$99,327 to \$77,000 in each fiscal year. The Board feels that it is important that each industry pay the the cost of the regulation necessary to adequately assure public trust. Therefore, the Board will pay for appropriate costs incurred by the Securities Department when performing duties of the Board, including travel costs incurred during examinations, supplies and prorata amounts of overhead expenses.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS CEMETERY BOARD
 FOR THE YEAR ENDED JUNE 30, 2004

Findings	Recommendations
None	None

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
Publication of the Board's Quarterly and Special Board Meeting Agendas	Required by Rule 4.01 of the Ark. Cemetery Board	N	N	102	Publish and mail agenda for each meeting of the Ark. Cemetery Board to interested parties and the public as required by Rule 4.01 of the Board's Rules and to comply with Freedom of Information Act.

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00%	0	0	0	0	0	0.00%	0	0	0	0	0	0.00%

Analysis of Budget Request

Appropriation: 843 - Cemetery-Treas Pay

Funding Sources: NCB - Cemetery Board - Cash in Treasury

The Arkansas Cemetery Board was created by Act 352 of 1977 to regulate perpetual care cemeteries including municipal, church, family and non-profit community cemeteries. The Board is a cash agency funded from the issuance of permits, amended permits, or examination of cemeteries. The staff of the Arkansas Securities Department handles all administrative work therefore no positions are needed.

Arkansas Code Annotated §20-17-1025 empowered the Board to provide the funding necessary to make loans to a court appointed receiver or conservator. The loans help assure that a cemetery placed in receivership will be properly maintained and continue to be a viable operation.

The Board proposes a reduction in the operating expenses of the agency to more accurately reflect the current level of expenditure and projected income. The Agency is requesting an increased level of appropriation for Loans to meet the anticipated need.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation

Appropriation: 843 Cemetery-Treas Pay
Funding Sources: NCB - Cemetery Board - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,980	2,100	0	2,100	2,100	2,100	2,100	2,100	2,100
#Positions		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	152	161	0	161	161	161	161	161	161
Operating Expenses	5020002	30,249	88,066	90,327	88,066	49,739	49,739	88,066	49,739	49,739
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Loans	5120029	32,078	9,000	9,000	9,000	25,000	25,000	9,000	25,000	25,000
Total		64,459	99,327	99,327	99,327	77,000	77,000	99,327	77,000	77,000
Funding Sources										
Fund Balance	4000005	88,500	97,605		83,753	83,753	83,753	83,753	83,753	83,753
Special Revenue	4000030	73,564	85,475		77,000	77,000	77,000	77,000	77,000	77,000
Total Funding		162,064	183,080		160,753	160,753	160,753	160,753	160,753	160,753
Excess Appropriation/(Funding)		(97,605)	(83,753)		(61,426)	(83,753)	(83,753)	(61,426)	(83,753)	(83,753)
Grand Total		64,459	99,327		99,327	77,000	77,000	99,327	77,000	77,000

FY06 Actual and FY07 Budgeted amounts in Regular Salaries and Personal Services Matching exceed the Authorized amounts due to stipend payments to board members and associated matching. FY06 amount for the Loans line item was authorized for \$50,000, thus expenditures for this period exceed the FY07 Authorized amount.

Change Level by Appropriation

Appropriation: 843-Cemetery-Treas Pay

Funding Sources: NCB - Cemetery Board - Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	99,327	0	99,327	100.0	99,327	0	99,327	100.0
C01	Existing Program	19,400	0	118,727	119.5	19,400	0	118,727	119.5
C03	Discontinue Program	(41,727)	0	77,000	77.5	(41,727)	0	77,000	77.5

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	99,327	0	99,327	100.0	99,327	0	99,327	100.0
C01	Existing Program	19,400	0	118,727	119.5	19,400	0	118,727	119.5
C03	Discontinue Program	(41,727)	0	77,000	77.5	(41,727)	0	77,000	77.5

Justification

C01	The Cemetery Board is requesting adjustments to certain operating costs to more accurately reflect expenses being incurred as well as an increase in the line item for Loans to meet anticipated needs.
C03	The Board is requesting a reduction in appropriation due to a decrease in collection of fees.